

Message Text

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ACTION EUR-25

INFO OCT-01 CIAE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10

PA-04 RSC-01 PRS-01 SPC-03 SS-20 USIA-15 ACDA-19

IO-14 XMB-07 CEA-02 OMB-01 IGA-02 MC-02 AID-20 EB-11

CIEP-02 TRSE-00 STR-08 DRC-01 ISO-00 /192 W

----- 014789

R 181554Z OCT 73

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 6976

INFO SECDEF

USCINCEUR

C O N F I D E N T I A L SECTION 1 OF 2 MADRID 5992

SECDEF FOR JCS AND OSD/ISA

E.O. 11652: GDS

TAGS: MARR SP

SUBJ: POSITION PAPERS FOR JOINT COMMITTEE MEETING

REF: MADRID 5923

THE FOLLOWING ARE PROPOSED US POSITION PAPERS FOR ITEMS ONE THROUGH FOUR OF AGENDA FOR OCTOBER 31 US-SPANISH JOINT COMMITTEE MEETING. THESE FOUR ITEMS DEAL WITH STATUS OF DELIVERY OF MILITARY EQUIPMENT OR ASSISTANCE UNDER 1970 AGREEMENTS AND ARE ROUTINE STATUS REPORTS THAT HAVE BEEN REGULARLY PRESENTED AT PREVIOUS JOINT COMMITTEE MEETINGS. POSITION PAPERS ON THE REMAINING ITEMS WILL BE SUBMITTED IN IMMEDIATE FUTURE.

1. AGENDA ITEM NO. ONE: APPLICATION OF EXIM BANK CREDIT.

SUMMARY

PROBLEM - TO ADVISE THE SPANISH GOVERNMENT CONCERNING THE LIST OF MILITARY EQUIPMENT IT WOULD RECEIVE AGAINST THE CONFIDENTIAL

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\$120M EXIM BANK CREDITS.

STATUS- EXIM BANK CREDIT REDUCED TO \$60M AT GOS REQUEST.

GOS PROVIDING OTHER \$60M FROM OWN RESOURCES. CURRENT ESTIMATE IS \$118.9M REQUIRED FOR ITEMS SPECIFIED IN AGREEMENT.

FACTS

FONMIN LOPEZ BRAVO IN 29 JAN 71 LETTER SPECIFIED EQUIPMENT, DELIVERY DATES AND CHANGES DESIRED IN PURCHASE AGAINST \$120M CREDIT AUTHORIZED GOS IN 6 AUG 70 EXCHANGE OF NOTES.

- 14 MAY 71, EXIM BANK APPROVED GOS-REQUESTED MODIFICATION MAKING CREDIT AVAILABLE TO \$60M AT 6 PERCENT ANNUM.
- GOS TO PROVIDE REMAINING \$60M FROM OWN RESOURCES.
- 15 DEC 71, EXIM BANK MADE LOAN NO. 2852 FOR \$60M OPERABLE.
- GOS POSITION IS \$120M SHOULD COVER ALL ITEMS APPLICABLE FOR CREDIT. US POSITION IS THAT AT TIME OF SIGNING IT WAS UNDERSTOOD THAT \$120M CREDIT WOULD NOT PURCHASE COMPLETE LIST OF ITEMS IN WHICH GOS INTERESTED.

- ITEMS TO BE DELIVERED:

ITEM	\$MILLIONS	NOTE
-SPANISH AIR FORCE (SCHEDULE AT TAB A):		
36 F4C	55.0	
3 LC-97L (PLUS 2 C-97G AS SPARE SOURCE)	1.6	1
3 P3A	21.9	2
6 C-130	3	
-SPANISH ARMY (SCHEDULE AT TAB A):		
TERRITORIAL COMMAND NET	27.1	4
-SPANISH NAVY (SCHEDULE AT TAB A):		
4 SH3D HELICOPTERS	10.1	
4 HUEY COBRA HELICOPTERS	3.2	
TOTAL	118.9	

NOTES:

1. 3 KC-97L AND 2 C-97G SUBSTITUTED FOR 2 KC-130 AIRCRAFT.
 2. 3 P3A DELTIC ORION AIRCRAFT AT \$21.9M WERE SUBSTITUTED FOR 3 P3B MODIFIED AIRCRAFT AT \$28.3M.
 3. GOS DECIDED NOT TO PURCHASE C-130A/B AIRCRAFT WITH EXIM BANK FUNDS. SAF PURCHASED 4 C-130H AIRCRAFT DIRECT FROM LOCKHEED, SEPARATELY FUNDED BY SAF.
 4. APRIL 73, TCN COST REVISED TO INCLUDE SPANISH NAVY, CONTRACTOR MAINTENANCE, AND MESSAGE SWITCHES. COST ESTIMATED \$46.5M-\$48.5M, DEPENDING UPON OPTIONS. UP TO \$27.1M WILL BE EXIM BANK; \$4.5M MAP; BALANCE SPANISH RESOURCES.
- CONFIDENTIAL

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RECOMMENDATION

THE ABOVE DATA BE USED AS APPROPRIATE IN DISCUSSION OF THIS AGENDA ITEM AT THE JOINT COMMITTEE MEETING.

TAB A

DELIVERY SCHEDULE FOR SPANISH AIR FORCE

ITEM	AVAILABILITY
36 F4C	INITIAL LAY-IN OF GROUND SUPPORT EQUIPMENT AND AIRCRAFT SPARES COMPLETED IN MAY 71. DELIVERY OF ALL 36 AIRCRAFT COMPLETED ON 2 OCT 72.
3 KC97L	TWO C97 AIRCRAFT FOR SPARE PARTS DELIVERED TO SAF IN MAY 71. 3 KC97L AIRCRAFT DELIVERED TO SPAIN IN MAY 72.
3 P3A	TWO P3A AIRCRAFT DELIVERED ON 25 JUL 73.

THIRD P3A DELIVERED ON 3 AUG 73.

6 C-130 SAF ELECTED NOT TO PURCHASE UNDER EXIM BANK CREDIT.

SAF HAS DECIDED TO PURCHASE 4 C-130H AIRCRAFT

DIRECT FROM LOCKHEED, SEPARATELY FUNDED BY SAF.

DELIVERY SCHEDULE FOR SPANISH ARMY

ITEM	AVAILABILITY
TERRITORIAL COMMAND	THE SPANISH ARMY ACCEPTED LOA ON
NETWORK	5 MAY 72. AT THAT TIME ESTIMATED
	PROJECT COMPLETION WAS JAN 75.
	DUE TO LATE IDENTIFICATION OF
	SPANISH ARMY AND NAVY REQUIREMENTS,
	CONTRACT AWARD IS FORECASTED AS
	MARCH 74 AND SYSTEM COMPLETION IS
	SCHEDULED FOR OCTOBER 76, ALTHOUGH
	PORTIONS OF THE SYSTEM WILL BE
	AVAILABLE FOR SPANISH USE A YEAR
	BEFORE FINAL SYSTEM TURNOVER.

DELIVERY SCHEDULE FOR SPANISH NAVY

ITEM	AVAILABILITY/DELIVERY
4 SH3D	SN ACCEPTED AMENDMENT 3 TO FMS CASE WHICH WILL
HELICOPTERS	RAISE THE ESTIMATED TOTAL COST FROM \$9,580,487
	TO \$10,090,487 AND DELAY DELIVERIES TO
	MAR 74 (2 ACFT) AND APR 74 (2 ACFT).
4 AH1G	FOUR DELIVERED TO SQUADRON 7 AT ROTA MAR 73.
HELICOPTERS	
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2. AGENDA ITEM NO. TWO: SECURITY ASSISTANCE

SUMMARY

PROBLEM- TO ADVISE CONCERNING DELIVERY OF SECURITY ASSISTANCE EQUIPMENT INCLUDED IN THE 6 AUGUST 1970 EXCHANGE OF NOTES AND 9 MARCH 1972 AMENDMENT THERETO.

STATUS - THE PRESENT DELIVERY SCHEDULE FOR MAJOR END ITEMS INCLUDED IN THE 6 AUG 70 EXCHANGE OF NOTES (PART 2 OF 29 JAN LETTER) IS PROGRESSING AS PLANNED. DELIVERY SCHEDULE AT TAB A.

- THE JOINT SPANISH ARMY AND AIR FORCE COMMISSION WHICH VISITED THE US SELECTED MACHINE TOOLS FOR A TOTAL ACQUISITION VALUE OF 2,507,668.

WE HAVE RECENTLY BEEN ADVISED TWO ITEMS HAVE BEEN DELETED FROM THE LIST, AND ONE REPLACEMENT ITEM HAS BEEN SELECTED. AS OF 30 SEPT 73

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ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 PM-07 H-03 INR-10 L-03 NSAE-00

NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20 USIA-15

ACDA-19 IO-14 XMB-07 CEA-02 OMB-01 IGA-02 MC-02 AID-20

EB-11 CIEP-02 TRSE-00 DRC-01 /184 W

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R 181554Z OCT 73

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C O N F I D E N T I A L SECTION 2 OF 2 MADRID 5992

264 ITEMS VALUED AT \$2,499,150.00 WERE SELECTED. RECORDS INDICATE
255 ITEMS HAVE BEEN SHIPPED OR ARE IN THE PROCESS OF SHIP-
MENT. ONLY 9 ITEMS REMAIN TO BE SHIPPED.

FACTS

THE JOINT SPANISH ARM-AIR FORCE COMMISSION SELECTED A TOTAL OF 264
LINE ITEMS OF MACHINE TOOLS. RECENT CHANGES WILL LEAVE A SMALL
BALANCE
OF \$850.00 AGAINST THE ORIGINAL SUM (\$2,500,000) AVAILABLE. DIPEC HAS
BEEN QUERIED REGARDING AVAILABILITY OF SUBSTITUTE ITEMS TO OFFER IN
LIEU OF DELETED ITEMS.

RECOMMENDATION

JOINT COMMITTEE BE ADVISED OF STATUS OF MACHINE TOOLS PROGRAM WITH
LATEST INFO AVAILABLE FOR THE 31 OCT MEETING. ADDITIONAL INFO PERTAIN
-
ING TO THE RELEASE OF MACHINE TOOLS TO THE FREIGHT FORWARDED WILL BE
PROVIDED AS RECEIVED FROM THE ITEM MANAGER, DIPEC.

TAB A

EQUIPMENT DELIVERY SCHEDULE (ARMY) US-SPANISH AGREEMENT OF 6 AUG 70
(AS AMENDED BY 9 MAR 72 MOU)
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SOURCE ITEM	DATE	AVAIL DATE	PROGRAM
	DELIVERED	PER AMC	YR FUNDED

BASIC AGREEMENT:

1 BN M48A1 TANKS

(54)	MAR/APR 72		FY72
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2 BN/2BTRY 105MM

HOW, M108 (48)	MAR 73		FY72
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1 BN 155MM HOW,

M109 (18)	6EA MAY 73	12EA MAY 74	FY 72/73
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REMARKS: 6 EA DELIVERED,
12 EA BEING LODIFIED TO A1

CONFIGURATION PER REQUEST
OF SA.

1 BN APC M113A1(49)	APR 73	FY 71
M125A1 MC (4)	AUG 73	FY 72
M577A1 CPC (7)	MAY 73	FY 72
1 BN 175MM M107		
GUNS (12)	MAR 72	FY 70
UH-1H HELOS (16)	8EA AUG 73	8EA JUL 74 FY73
AMENDMENT: (TO RESOLVE TANK BN PROBLEM)		
3 APC M113A1	2ND QTR FY74	FY 70
16 M577A1 CPC	OCT 73	FY 73
REMARKS: SHIPPED.		
ETA 18 OCT 73.		
4 M125A1 MC	AUG 73	FY 72
24 M548 CGO CARRIER	4TH QTR FY74	FY 72/73
3 M88 REC VEH	4TH QTR FY75	FY 70
5 M578 REC VEH	JUN 73	FY 71
1 WRECKER TRUCK, 5T	SEP-OCT 74	FY 73

3. AGENDA ITEM NO. THREE: SHIP LOANS

SUMMARY

PROBLEM-TO ADVISE STATUS OF DELIVERY OF SHIPS INCLUDED
IN THE 6 AUGUST 1970 EXCHANGE OF NOTES AS SPECIFIED IN
SPANISH FOREIGN MINISTER LOPEZ-BRAVO'S LETTER OF 29 JAN 71.
STATUS - THE USN HAS DELIVERED THE SHIPS, WITH EXCEPTION OF AN AO,
LISTED IN THE AGREEMENT AS MODIFIED BY THE FONMIN'S 29 JAN 71 LETTER.

FACTS

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IN RESPONSE TO THE FONMIN'S 29 JAN 71 LETTER, THE USG AGREED TO
DELIVER

THE FOLLOWING SHIPS IN ACCORDANCE WITH THE SCHEDULE INDICATED:

2 SUBMARINES: DELIVERED 1 OCT 72.

5 DESTROYERS: 2 DELIVERED 31 AUG 72; 3 DELIVERED 31 OCT 73.

1 LSD: DELIVERED 1 JUL 71.

3 LST (TERREBONNE PARISH CLASS): DELIVERED DURING 71/72.

4 MINESWEEPERS (AGILE CLASS): DELIVERED 71/72.

1 OILER (AO): 3 WERE MADE AVAILABLE FOR INSPECTION IN OCT 71

BUT WERE REJECTED BY GOS AS TOO OLD AND TOO SMALL.

- USN VERBALLY INFORMED SN THAT AN LST (TERREBONNE
PARISH CLASS) WOULD BE AVAILABLE FOR THEIR INSPECTION
IN FALL 73 ON THE WEST COAST. SN INDICATED THEY
WOULD ACCEPT AS SUBSTITUTE FOR THE AO IF IN GOOD
CONDITION. USN ADVISES THAT THE LST WILL BE AVAILABLE FOR SN INSP-
ECTION IN BREMERTON SHORTLY AFTER 1 NOV 73.

2 LCUS WERE INCLUDED IN THE CO-CHAIRMAN'S LETTER AS AN
ADDITIONAL GOS REQUIREMENT WHICH WAS NOT INCLUDED IN
THE 1970 AGREEMENT.

-2 LCUS DELIVERED JUN 72 ON NAVY-TO-NAVY 5-YEAR LEASE WITH
RENEWAL OPTION OF 5 YEARS.

THE CONGRESSIONAL LOAN BILL FOR COMBATANTS WAS APPROVED 8 APR 72.

- BILL LACKS THE AUTOMATIC RENEWAL CLAUSE OF PAST LEGISLATION.
- SN CONCERNED SINCE THEY DO NOT WANT TO EXPEND LARGE AMOUNTS FOR LIMITED USAGE OF THE SHIPS.
- CNO OPINED THAT AGREEMENTS COULD EITHER BE EXTENDED (REQUIRING ACT OF CONGRESS) OR VESSELS SOLD PRIOR TO EXPIRATION OF LOANS.
- CNO INITIALLY OFFERED 3 FRAM I DESTROYERS.
- SN REQUESTED ALL 5 DDS BE FRAM I.
- ALL 5 DDS TRANSFERRED WERE FRAM I.

RECOMMENDATION

THE ABOVE DATA BE USED IN THE JOINT COMMITTEE AS APPROPRIATE IN DISCUSSION OF THIS AGENDA ITEM.

4. AGENDA ITEM NO. FOUR: SPANISH AC&W MODERNIZATION (COMBAT GRANDE)

SUMMARY

PROBLEM-TO REPORT ON THE STATUS OF THE SPANISH AC&W MODERNIZATION AS SPECIFIED IN FONMIN LOPEZ BRAVO'S LETTER OF 29 JAN 71.

STATUS - TENTATIVE PROCUREMENT SCHEDULES ARE NOW AS FOLLOWS:
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REQUEST FOR PROPOSALS(RFP)	PROPOSALS	CONTRACT AWARD
SEMI-AUTO PACKAGE	FEB 73	MAY 73 FEB 74
MICROWAVE COMM PKG	MAR 73	MAY 73 FEB 74
GND-AIR-GND RADIOS	(SEE FACTS)	
ECCM MOD	AWARDED (GEN DYNAMICS)	21 MAY 73
POWER OVERHAUL	MAR 73	APR 73 (SEE FACTS)

FACTS

SINGLE-CHANNEL GROUND/AIR/GROUND RADIOS ARE BEING PROCURED FOR COMBAT GRANDE UNDER AN EXISTING USAF PROCUREMENT PROGRAM. THE ESD PROGRAM OFFICE IS PRESENTLY INVESTIGATING VARIOUS ALTERNATIVES FOR THE PROCURE-

MENT OF HIGH GAIN UHF/VHF ANTENNAS TO SATISFY MULTI-CHANNEL RADIO REQUIREMENTS AT THE SPANISH AC&W SITES.

THE POWER OVERHAUL SEGMENT IS CURRENTLY UNDER REVIEW BASED ON THE RESPONSE TO THE RFP. SPECIAL STUDIES ARE BEING EVALUATED FOR REVIEW BY THE SOURCE SELECTION AUTHORITY (GENERALS SHIELY USAF AND GALARZA SAF). ORIGINAL PROGRAM FUNDS OF \$50 M ARE TO BE SPLIT 70/30 USAF/SAF. ADDITIONAL PROGRAM FUNDS HAVE BEEN REQUESTED BASED ON SERIES OF MEETINGS BETWEEN GENERALS SHIELY AND GALARZA. AN ADDITIONAL \$8M HAS BEEN PROPOSED TO BE SPLIT 70/30 USAF/SAF.

ANNEX 3 TITLED "OEP DEVIATIONS" TO THE "MANAGEMENT APPROACH FOR THE COMBAT GRANDE PROGRAM" WAS ISSUED ON 8 MAY 72.

- FOUR DEVIATIONS TO THE OEP HAVE BEEN JOINTLY APPROVED.
- DEVIATION 1, NW RADAR DELETION.
- DEVIATION 2, "BLOCKHOUSE" IN LIEU OF TAB VEE SOC/COC.
- DEVIATION 3, CIVIL AIR TO PROCURE COMM OUTER BELT.
- DEVIATION 4, RELOCATION OF INNER BELT TERMINAL.

THE MODERNIZATION OF THE AC&W SITES HAS PROGRESSED TO

ROSAS. BENIDORM HAS BEEN ACCEPTED BY THE SAF. INOGES IS
COMPLETED AND AWAITING ACCEPTANCE BY THE SAF.

RECOMMENDATION

THE JOINT COMMITTEE BE ADVISED OF THE PROGRESS IN THIS PROGRAM.
RIVERO

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<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 11 MAY 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MILITARY ASSISTANCE, MEETING AGENDA, COMMITTEE MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: worrelsw
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Review Exemptions: n/a
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30 JUN 2005

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TAGS: MARR, SP
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